

JEB BRADLEY
1ST DISTRICT, NEW HAMPSHIRE

COMMITTEE ON ARMED SERVICES

COMMITTEE ON VETERANS' AFFAIRS

COMMITTEE ON SMALL BUSINESS



ORIGINAL

UNITED STATES
HOUSE OF REPRESENTATIVES
September 16, 2003

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Mr. Bryant L. VanBrakle
Secretary
Federal Maritime Commission
800 North Capitol Street, NW
Washington, DC 20573

RE: Petition P3-03

Dear Commissioner VanBrakle:

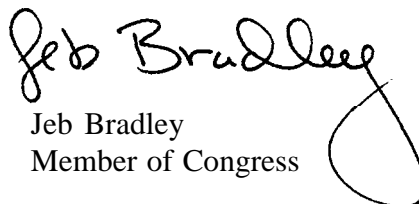
It has been brought to my attention that UPS has filed an exemption from the prohibition on Non-Vessel Operating Common Carriers (NVOCCS) from entering into confidential contracts with their customers. It is my understanding that based on the operational characteristics of UPS and developments within the ocean shipping marketplace, the regulatory process governing NVOCCS may be in need of updating. Thus, I request the Federal Maritime Commission give every consideration to the pending petition filed by UPS.

It is my understanding that the state of the U.S. ocean shipping industry has changed dramatically since passage of the Ocean Shipping Reform Act (OSRA) in 1998. There have been significant consolidations among ocean carriers resulting in the loss of major U.S. flagged carriers. In an effort to offer customers a full range of services, some carriers have created vertically integrated logistics companies that now compete with NVOCCs. This has in effect created a competitive disadvantage to the NVOCCs since they are prohibited from signing into confidential contracts for ocean delivery services.

The UPS petition, citing the recent evolution of the ocean shipping marketplace, is calling upon the FMC to utilize the broad exemption authority grant by Congress. By granting this petition, the FMC will level the playing field between NVOCCs and vessel operators, and ultimately benefit the ocean shipping consumers around the world.

For the reason listed above, and on the merit of the case, I encourage the Federal Maritime Commission to give every possible consideration to the UPS petition.

Sincerely,


Jeb Bradley
Member of Congress

JEB/jjr

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